CONDUCT OF BILINGUAL PROCEEDINGS

SEC. 3. (a) Chapter 119 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"1827. Bilingual proceedings

"(a)(1) Whenever a district judge determines, upon motion made by a party to a proceeding in a judicial district, which has been certified under section 604(a) of this title to be a bilingual judicial district, that (A) a party to such proceeding does not speak and understand the English language with reasonable facility, or (B) in the course of such proceeding testimony may be presented by any person who does not so speak and understand the English language, that proceeding shall be conducted with the equipment and facilities authorized by section 604(a)(15) of this title. Any such proceeding or portion of such proceeding (including any translation relating to) shall be recorded verbatim. Such recording shall be made in addition to any stenographic transcript of the proceeding taken.

"(2) After any such determination has been made, each party to the proceeding shall be entitled to utilize the services of the interpreter, certified pursuant to section 604(a) of this title, to provide a simultaneous translation of the entire proceeding to any party who does not so speak and understand the English language and who so speaks and understands such non-English language, or of any portion of the proceeding relating to such qualification and testimony, from such non-English language to English and from English to such non-English language.

"(b) The party utilizing the services of a certified interpreter provided under this section shall pay for the cost of such services in accordance with the schedule of fees prescribed under section 604(a)(14) of this title, except that—

"(1) if the services of an interpreter are utilized by more than one party to the proceeding, such cost shall be apportioned as such parties may agree, or, if those parties are unable to agree, as the court may determine;

"(2) if the United States (including any department, agency, instrumentality, or officer or employee thereof) is a party utilizing the service of an interpreter, the cost or apportioned cost of the United States shall be paid by the Director of the Administrative Office of the United States Courts from funds appropriated to him for that purpose; and

"(3) if the services of an interpreter are utilized by a party determined by the court to be an indigent, the cost or apportioned cost of such party shall be paid by that Director out of funds appropriated to him for that purpose.

(b) The analysis of chapter 119, of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1827. Bilingual proceedings."

APPROPRIATIONS

SEC. 4. There are hereby authorized to be appropriated to the Administrative Office of the United States Courts such sums as may be necessary to carry out the amendments made by this Act.

EFFECTIVE DATE

SEC. 5. The amendments made by this Act shall take effect on the first day of the seventh month beginning after the date of enactment of this Act.

SUMMARY OF BILINGUAL COURTS ACT

1. Establishes the following additional duties of the Director of the Administrative Office of the U.S. Courts:

(a) Determine from time to time, from the best and most current data available, each of those judicial districts in which at least 5 per centum or 50,000 of the residents of that district, whichever is less, do not speak or understand the English language with reasonable facility, and certify each such district as a bilingual judicial district;

(b) Prescribe, determine, and certify for each such district, the qualifications of interpreters who have a capacity 1) for accurate speech and comprehension in English and in the non-English language, and 2) for simultaneous translation from either language to the other;

(c) Prescribe schedule of reasonable fees for interpreters;

(d) Provide in each such district appropriate equipment and facilities for 1) the recording of proceedings before that court, and 2) the simultaneous language translation of proceedings in such court;

2. Establishes the conduct of bilingual proceedings:

(a) Whenever a district judge determines, upon motion made by a party to a proceeding in a judicial district certified as bilingual, that 1) the party does not speak and understand English with reasonable facility or 2) testimony may be presented by any person who does not speak/understand English, that proceeding shall be conducted with the equipment and facilities. Any such proceeding or portion of such proceeding (including any translation) shall be recorded verbatim in addition to any stenographic transcript.

(b) After such determination, each party shall be entitled to the services of the interpreter to provide simultaneous translation of the entire proceeding, or of any portion of the proceeding relating to such qualification and testimony.

(1) The party utilizing the services of the interpreter shall pay for the cost except that a) if the services are utilized by more than one party, such cost shall be apportioned as such parties agree, or if unable to agree, as the court may determine.

(2) If the U.S. is a party utilizing the services of the interpreter, the cost or apportioned cost of the U.S. shall be paid by the Director of the Administrative Office from funds appropriated to him for that purpose, or

(3) If the services of the interpreter are utilized by a party determined by the court to be an indigent, the cost shall be paid by the Director from funds appropriated to him for that purpose.

3. Appropriations necessary to carry out this Act are authorized to the Administrative Office.

4. This Act shall take effect seven months after enactment.

Mr. HASKELL. Mr. President, it gives me great pleasure to cosponsor the Bilingual Courts Act being introduced this day.

The necessity for the passage of the Bilingual Courts Act has been most eloquently stated by my colleague from California in his introductory remarks. Without appearing redundant, I would like to extend to my fellow colleagues some additional remarks in regard to this legislation.

I share equally with the Senator from California deep concern that the courts of our Nation have not the capability to extend to all citizens the full measure of justice they deserve. Hopefully the Bilingual Courts Act will be a beginning toward that end. Yet, it is my concern that the protections which this legislation would insure will be extended to the defendant in criminal prosecution.

The need for such legislation is well known to those who have appeared before the courts of our Nation. Far too often the scales of justice have been unequally weighted when persons lacking facility in the English language appear before them.

How shallow that right to justice becomes when a party before the court can only stand mute before it. Such is the situation which confronts those of our citizens with limited facility in English. It is my hope that the Congress will see the merits in this proposed legislation and proceed forthwith to act upon it.

By Mr. DOMINICK (for himself and Mr. TAFT):

S. 1725. A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage, and for other purposes. Referred to the Committee on Labor and Public Welfare.

FAIR LABOR STANDARDS AMENDMENTS OF 1973

Mr. DOMINICK. Mr. President, on behalf of Mr. TAFT and myself, I introduce for appropriate reference a bill to amend the Fair Labor Standards Act to provide for increases in minimum wage rates, and for other purposes.

While this bill is similar to the one we offered last year as a substitute for the bill reported by the Labor and Public Welfare Committee, it contains several important changes.

First, it provides for somewhat larger increases in minimum wage rates. Under this bill, the minimum wage for nonagricultural employees would be increased from the present level of $1.60 an hour to $2.30 an hour in five steps stretched out over a 4-year period. The minimum wage would be raised to $1.80 an hour on the effective date of these amendments—60 days after enactment—to $2 an hour a year later, to $2.10 an hour 2 years after the effective date, to $2.20 3 years after the effective date, and to $2.30 4 years after the effective date. Assuming these amendments were to go into effect this year, the minimum wage for nonagricultural employees would reach $2.30 an hour sometime in 1977.

Unlike previous increases in minimum wage rates, these increases would apply equally to all nonagricultural employees within coverage of the Fair Labor Standards Act, regardless of when they were first covered. I understand why it is necessary to phase in newly covered businesses at lower rates initially, but I have never been able to understand why it makes sense to perpetuate the gap. I think the increases this bill proposes are moderate enough to avoid undue hardship on those industries first brought within coverage of the Fair Labor Standards Act by the 1966 amendments.

This bill would increase the minimum rate for farmworkers from its present level of $1.30 an hour to $1.90 an hour in three steps. It would be raised to $1.50 on the effective date, to $1.70 a year later, and to $1.90 a year after that.

The minimum rate for employees in Puerto Rico and the Virgin Islands would be increased by 37.5 percent above the most recent rate established by the special industry committees for each industry. The increase would be in three steps of 12.5 percent each, the first taking place on the effective date of these amendments, the second 1 year later, and the third a year after that. The total increase would be roughly comparable to that of employees on the mainland, and the existing industry committee system

under which minimum wages are established on an industry-by-industry basis would be preserved.

The minimum rate for employees in the Canal Zone would remain at $1.60 in order to avoid worsening the already great disparity between wages paid workers in the Canal Zone and workers in Panama, where minimum rates range from 40 to 70 cents per hour.

I think the wage increases proposed in this bill are reasonable, and are stretched out over long enough periods of time that they could be absorbed without a great inflationary impact on the economy. They are based on the recognition that excessive increases have adverse inflationary and unemployment effects, and reflect an effort to minimize those effects. I certainly hope that these proposed increases will not influence others in the Senate to support even greater increases. I would strongly oppose any greater increases. At a time when inflation is soaring, we ought to be very careful not to aggravate it—particularly since those hurt most by inflation are those we are trying to help—low-income workers.

The second difference between this bill and the substitute I sponsored last year is that this bill would extend minimum wage coverage to some 4.7 million Federal, State, and local government employees not now covered by the Fair Labor Standards Act. Coverage would not be extended to military personnel, professional, executive, and administrative personnel, employees in noncompetitive positions, or volunteer employees such as those in the Peace Corps and Vista.

At present, about 3.3 million Federal, State, and local employees are covered for minimum wage purposes. The extension of basic minimum wage coverage to additional government employees, since it does not include overtime coverage, would have a relatively slight cost impact.

The wage levels of all Federal employees to whom coverage would be extended are above the current minimum wage. A 1971 report of the Department of Labor indicated that wage levels for State and local government employees not covered by the act are on the average, substantially higher than those of workers already covered.

This bill would provide for no other extensions of coverage, and would not revise existing exemptions. Before any attempt is made to revise the many complex exemptions which have been carved out for various industries, I think Congress needs more facts. Accordingly, the bill would require the Secretary of Labor to do a comprehensive study of the exemptions and submit to Congress within 3 years a report containing recommendations as to whether each exemption should be continued, removed, or modified.

The youth differential provision of this bill is considerably narrower in application than the provision I supported last year. First, the differential rate would be 85 percent of the applicable new minimum rates, rather than 80 percent as previously. Second, for youths under 18, the differential rate could be paid only during the first 6 months of employment. Full-time students would be eligible for the youth differential, but only for part-time work—not more than 20 hours per week—except where they are employed at the educational institution they are attending. Students working full time at off-campus jobs during vacations would not be eligible for the youth differential rate.

This narrowed application of the youth differential should meet the objections of those who felt the provision in the substitute bill last year would have reduced adult employment opportunities. The 6-month limitation would further reduce the already minimal possibility of competition between adult workers and teenagers for low-skilled jobs. This provision would encourage employers to provide inexperienced young workers with job training opportunities necessary in order for them to acquire marketable job skills. Also, few adults seek the kinds of part-time jobs held by students.

The effect of this youth differential provision would be to preserve job opportunities for students and teenagers which would otherwise be eliminated when existing minimum wage rates are increased. It is not a question of displacing adult workers. It is a question of whether marginal jobs are held by teenagers and students working part-time, or whether such jobs are simply eliminated. Every time the minimum wage is increased, many marginal jobs are eliminated because employers find it more economical to mechanize or use some other means to avoid paying employees at the increased rate. There is general agreement among the experts that minimum wage increases result in decreased job opportunities for low-skilled marginal workers—particularly inexperienced teenagers. The Labor Department's 1973 report to Congress on the Fair Labor Standards Act summarizes three recent studies analyzing the impact of minimum wage increases on youth employment. Each of the studies clearly indicates that youth employment is adversely affected by minimum wage increases. Without a youth differential provision, the increases implemented by this bill would worsen the already high teenage unemployment rate—which has been above 15 percent for several years.

The Fair Labor Standards Act contains a provision permitting an 85 percent "youth differential" to full-time students and youth under 18. But, it also requires that employers receive Labor Department certification prior to employment of youth at the special rate. This requirement, which has discouraged employers from fully utilizing the existing youth differential provisions because of the extensive forms and report-filing involved, would be removed by this bill. The bill would, however, require the Secretary of Labor to issue regulations insuring against displacement of adult workers. It also makes clear that employers found to be in violation of the conditions of the youth differential provision would be subject to the existing civil and criminal penalties under the act.

I think this youth differential provision merits at least a trial run. If it does not, work, we can always modify it, or repeal it and look for something better. The alternative is to simply turn our backs on the very critical problem of high youth unemployment.

The bill contains several other provisions amending the Fair Labor Standards Act—including several tightening up enforcement of the child labor provisions of the act. I ask unanimous consent that the text of the bill and a section-by-section analysis of it be included in the RECORD at the conclusion of my remarks, together with a statement by Senator TAFT in support of the bill.

In conclusion, Mr. President, I have strong views about minimum wage legislation, and feel very strongly that anything we do in this regard should take into account the potential adverse inflationary and unemployment effects. I think I made that clear last year. What I want to emphasize is that this bill was not drafted with the idea that it would merely serve as a starting point for negotiations in the Labor and Public Welfare Committee. On the contrary, it was drafted with the intent that it would be a reasonable compromise between the bill reported by the Labor and Public Welfare Committee last year and the substitute bill I sponsored with Senator TAFT. The substitute, which fell one vote short of Senate approval, was revised specifically with that in mind. This bill contains significant changes—most notably with regard to extending coverage to Federal, State, and local government employees, and narrowing the scope of the youth differential.

Mr. President, I feel this bill is a reasonable compromise which is in the best interests of the public, and which should be capable of getting the support of a majority of the Senate.

There being no objection, the bill and other material were ordered to be printed in the RECORD, as follows:

S. 1725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Fair Labor Standards Amendments of 1973".

DEFINITIONS AND APPLICABILITY TO GOVERNMENT EMPLOYEES

SEC. 2. (a) Section 3(d) of the Fair Labor Standards Act of 1938 (29 U.S.C, 203 (d)), is amended to read as follows:

"(d) 'Employer' includes any person acting directly or indirectly in the interest of an employer in relation to an employee, including the United States and any State or political subdivision of a State, but shall not include any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization."

(b) Section 3(e) of such Act is amended by adding at the end thereof the following:

"In the case of any individual employed by the United States, 'employee' means any individual employed (i) as a civilian in the military departments as defined in section 102 of title 5, United States Code, (ii) in executive agencies (other than the General Accounting Office) as defined in section 105 of title 5, United States Code (including employees who are paid from nonappropriated funds), (iii) in the United States Postal Service and the Postal Rate Commission, (iv) in those units of the government of the

District of Columbia having positions in the competitive service, (v) in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service, and (vi) in the Library of Congress, and in the case of any individual employed by any State or a political subdivision of any State means any employee holding a position comparable to one of the positions enumerated for individuals employed by the United States.".

(c) Section 3(h) of such Act is amended to read as follows:

"(h) 'Industry' means a trade, business, industry, or other activity, or branch or group thereof, in which individuals are gainfully employed.".

(d)(1) The first sentence of section 3(r) of such Act is amended by inserting after the word "whether", the words "public or private or conducted for profit or not for profit, or whether".

(2) The second sentence of such subsection is amended to read as follows: "For purposes of this subsection, the activities performed by any person in connection with the activities of the Government of the United States or any State or political subdivision shall be deemed to be activities performed for a business purpose.".

(e) The first sentence of section 3(s) of such Act is amended by inserting after the words "means an enterprise", the parenthetical clause "(whether public or private or operated for profit or not for profit and including activities of the Government of the United States or of any State or political subdivision of any State)".

(f) Section 13(b) of such Act is amended by striking out the period at the end of paragraph (19) and inserting in lieu thereof a semicolon and the word "or" and by adding at the end thereof the following new paragraph:

"any employee employed by the United States (A) as a civilian in the military departments as defined in section 102 of title 5, United States Code, (B) in executive agencies (other than the General Accounting Office) as defined in section 105 of title 5, United States Code (including employees who are paid from nonappropriated funds), (C) in the United States Postal Service and the Postal Rate Commission, (D) in those units of the government of the District of Columbia having positions in the competitive service, (E) in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service, and (F) in the Library of Congress, and any employee employed by any State or a political subdivision of any State holding a position comparable to one of the positions enumerated in this paragraph for individuals employed by United States."

INCREASE IN MINIMUM WAGE

SEC. 3. (a) Section 6(a)(1) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"(1)(A) not less than $1.80 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1973,

"(B) not less than $2.00 an hour during the second year from the effective date of such amendments,

"(C) not less than $2.10 an hour during the third year from the effective date of such amendments,

"(D) not less than $2.20 an hour during the fourth year from the effective date of such amendments, and

"(E) not less than $2.30 an hour thereafter."

(b) Paragraph (5) of section 6(a) is amended to read as follows:

"(5) if such employee is employed in agriculture, not less than $1.50 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1973, not less than $1.70 an hour during the second year from the effective date of such amendments, and not less than $1.90 an hour thereafter."

(c)(1) Section 6(b) of such Act is repealed.

(2) Subsections (c), (d), and (e) of section 6 of such Act are redesignated as subsections (b), (c), and (d), respectively.

EMPLOYEES IN THE CANAL ZONE

SEC. 4. Section 6(a) of the Fair Labor Standards Act of 1938 is amended by striking out the period at the end of paragraph (5) of such section and inserting in lieu thereof a semicolon and the word "or", and by adding at the end thereof the following new paragraph:

"(6) if such employee is employed in the Canal Zone not less than $1.60 an hour."

EMPLOYEES IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 5. Paragraphs (A) and (B) of section 6(b)(2) of the Fair Labor Standards Act of 1938 (as redesignated by section 3(a)(2) of this Act) are amended to read as follows:

"(A) The rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1973 increased by 12.5 per centum unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C). Such rate or rates shall become effective sixty days after the effective date of the Fair Labor Standards Amendments of 1973, or one year from the effective date of the most recent wage order applicable to such employee theretofore issued by the Secretary pursuant to the recommendations of a special industry committee appointed under section 5, whichever is later.

"(B)(i) Effective one year after the applicable effective date under paragraph (A), the rate or rates prescribed by paragraph (A), increased by an amount equal to 12.5 per centum of the rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1973 unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendation of a review committee appointed under paragraph (C).

"(ii) Effective two years after the applicable effective date under paragraph (A), the rate or rates prescribed by subparagraph (i) of this paragraph increased by an amount equal to 12.5 per centum of the rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1973 unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendation of a review committee appointed under paragraph (C)."

PROOF OF AGE REQUIREMENT

SEC. 6. Section 12 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"(d) In order to carry out the objectives of this section, the Secretary may by regulations require employers to obtain from any employee proof of age."

CHILD LABOR IN AGRICULTURE

SEC. 7. (a) Section 13(c)(1) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"(c)(1) Except as provided in paragraph (2) the provisions of section 12 (relating to child labor) shall not apply to any employee employed in agriculture outside of school hours for the school district where such employee is living while he—

"(A) is employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person,

"(B) is fourteen years of age or older, or

"(C) is twelve years of age or older, and (i) such employment is with the written consent of his parent or person standing in place of his parent, or (ii) his parent or such person is employed on the same farm.".

(b) Section 13(d) of such Act is amended to read as follows:

"(d) The provisions of sections 6, 7, and 12 shall not apply with respect to any employee engaged in the delivery of newspapers to the consumer, and the provisions of section 12 shall not apply with respect to any such employee when engaged in the delivery to households or consumers of shopping news (including shopping guides, handbills, or other type of advertising material) published by any weekly, semiweekly, or daily newspaper."

EXPANDING EMPLOYMENT OPPORTUNITIES FOR YOUTH; SPECIAL MINIMUM WAGES FOR EMPLOYEES UNDER EIGHTEEN AND STUDENTS

SEC. 8. Section 14(b) of the Fair Labor Standards Act of 1938 is amended to read as follows.

"(b)(1) Subject to paragraph (2) and to such standards and requirements as may be required by the Secretary under paragraph (4), any employer may, in compliance with applicable child labor laws, employ, at the special minimum wage rate prescribed in paragraph (3), any employee—

"(A) to whom the minimum wage rate required by section 6 would apply in such employment but for this subsection, and

"(B) who is under the age of eighteen or is a full-time student.

"(2) No employer may employ, at the special minimum wage rate authorized by this subsection—

"(A) for a period in excess of one hundred and eighty days any employee who under the age of eighteen and is not a full-time student; or

"(B) for longer than twenty hours per week any employee who is a full-time student, except in any case in which any such student is employed by the educational institution at which he is enrolled.

"(3) The special minimum wage rate authorized by this subsection is a wage rate which is not less than the higher of (A) 85 per centum of the otherwise applicable minimum wage rate prescribed by section 6, or (B) $1.30 an hour in the case of employment in agriculture or $1.60 an hour in the case of other employment, except that such special minimum wage rate for employees in Puerto Rico, the Virgin Islands, and American Samoa shall not be less than 85 per centum of the industry wage order rate otherwise applicable to such employees, but in no case shall such special minimum wage rate be less than that provided for under the most recent wage order issued prior to the effective date of the Fair Labor Standards Act of 1973.

"(4) The Secretary shall by regulation prescribe standards and requirements to insure that this subsection will not create a substantial probability of reducing the full-time employment opportunities of persons other than those to whom the minimum wage rate authorized by this subsection is applicable.

"(5) For purposes of sections 16(b) and 16(c)—

"(A) any employer who employs any employee under this subsection at a wage rate which is less than the minimum wage rate prescribed by paragraph (3) shall be considered to have violated the provisions of section 6 in his employment of the employee, and the liability of the employer for unpaid wages and overtime compensation shall be determined on the basis of the otherwise applicable minimum wage rate under section 6; and

"(B) any employer who employs any employee under this subsection for a period in excess of the period prescribed by paragraph (2) shall be considered to have violated the provisions of section 6 in his employment of the employee during the period in excess of the authorized period."

CIVIL PENALTY FOR CERTAIN LABOR VIOLATIONS

SEC. 9. Section 16 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"(e) Any person who violates the provisions of section 12, relating to child labor; or any regulation issued under that section, shall be subject to a civil penalty of not to exceed $1,000 for each such violation.

In determining the amount of such penalty, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be—

"(1) deducted from any sums owing by the United States to the person charged; or

"(2) recovered in a civil action brought by the Secretary in any court of competent jurisdiction, in which litigation the Secretary shall be represented by the Solicitor of Labor; or

"(3) ordered by the court, in an action brought under section 17 to restrain violations of section 15(a)(4), to be paid to the Secretary.

Any administrative determination by the Secretary of the amount of such penalty shall be final, unless within fifteen days after receipt of notice thereof by certified mail the person charged with the violation takes exception to the determination that the violations for which the penalty is imposed occurred, in which event final determination of the penalty shall be made in an administrative proceeding after opportunity for hearing in accordance with section 554 of title 5, United States Code, and regulations to be promulgated by the Secretary. Sums collected as penalties pursuant to this section shall be applied toward reimbursement of the costs of determining the violations and assessing and collecting such penalties, in accordance with the provisions of section 2 of an Act entitled 'An Act to authorize the Department of Labor to make special statistical studies upon payment of the cost thereof, and for other purposes' (48 Stat. 582)."

PENALTIES

SEC. 10. The first two sentences of section 15(c) of the Fair Labor Standards Act of 1938, as amended, are amended to read as follows:

"The Secretary is authorized to supervise the payment of the unpaid minimum wages or the unpaid overtime compensation owing to any employee or employees under section 6 or 7 of this Act, and the agreement of any employee to accept such payment shall upon payment in full constitute a waiver by such employee of any right he may have under subsection (b) of this section to such unpaid minimum wages or unpaid overtime compensation and an additional equal amount as liquidated damages. The Secretary may bring an action in any court of competent jurisdiction to recover the amount of the unpaid minimum wages or overtime compensation and an equal amount as liquidated damages."

NONDISCRIMINATION ON ACCOUNT OF AGE IN GOVERNMENT EMPLOYMENT

SEC. 11. (a) (1) The second sentence of section 11(b) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 621) is amended to read as follows: "The term also means (1) any agent of such a person, and (2) a State or political subdivision of a State and any agency or instrumentality of a State or a political subdivision of a State, but such term does not include the United States, or a corporation wholly owned by the Government of the United States.".

(2) Section 11(c) of such Act is amended by striking out "or any agency of a State or political subdivision of a State, except that such terms shall include the United States Employment Service and the systems of State and local employment services receiving Federal assistance.".

(3) Section 16 of such Act is amended by striking the figure "$3,000,000", and inserting in lieu thereof "$5,000,000".

(b) (1) The Age Discrimination in Employment Act of 1967 is amended by redesignating sections 15 and 16, and all references thereto, as section 16 and section 17, respectively.

(2) The Age Discrimination in Employment Act of 1967 is further amended by adding immediately after section 14 the following new section:

"NONDISCRIMINATION ON ACCOUNT OF AGE IN FEDERAL GOVERNMENT EMPLOYMENT

"SEC. 15. (a) All personnel actions affecting employees or applicants for employment (except with regard to aliens employed outside the limits of the United States) in military departments as defined in section 102 of title 5, United States Code, in executive agencies (other than the General Accounting Office) as defined in section 105 of title 5, United States Code (including employees and applicants for employment who are paid from nonappropriated funds), in the United States Postal Service and the Postal Rate Commission, of the government of the District of Columbia having positions in the competitive service, and in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service, and in the Library of Congress shall be made free from any discrimination based on age.

"(b) Except as otherwise provided in this subsection, the Civil Service Commission is authorized to enforce the provisions of subsection (a) through appropriate remedies, including reinstatement or hiring of employees with or without backpay, as will effectuate the policies of this section. The Civil Service Commission shall issue such rules, regulations, orders, and instructions as it deems necessary and appropriate to carry out its responsibilities under this section. The Civil Service Commission shall—

"(1) be responsible for the review and evaluation of the operation of all agency programs designed to carry out the policy of this section, periodically obtaining and publishing (on at least a semiannual basis) progress reports from each such department, agency, or unit; and

"(2) consult with and solicit the recommendations of interested individuals, groups, and organizations relating to nondiscrimination in employment on account of age.

The head of each such department, agency, or unit shall comply with such rules, regulations, orders, and instructions which shall include a provision that an employee or applicant for employment shall be notified of any final action taken or any complaint of discrimination filed by him thereunder. Reasonable exemptions to the provisions of this section may be established by the Commission but only when the Commission has established a maximum age requirement on the basis of a determination that age is a bona fide occupational qualification necessary to the performance of the duties of the position. With respect to employment in the Library of Congress, authorities granted in this subsection to the Civil Service Commission shall be exercised by the Librarian of Congress.

"(c) Any persons aggrieved may bring a civil action in any court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this Act.

"(d) When the individual has not filed a complaint concerning age discrimination with the Commission, no civil action may be commenced by any individual under this section until the individual has given the Commission not less than thirty days' notice of an intent to file such action. Such notice shall be filed within one hundred and eighty days after the alleged unlawful practice occurred. Upon receiving a notice of intent to sue, the Commission shall promptly notify all persons named therein as prospective defendants in the action and take any appropriate action to assure the elimination of any unlawful practice.

"(e) Nothing contained in this section shall relieve any Government agency or official of the responsibility to assure non-discrimination on account of age in employment as required under any provision of Federal law."

EXEMPTION REVIEW

SEC. 12. The Secretary of Labor is hereby instructed to commence immediately a comprehensive review of the exemptions under section 13 of the Fair Labor Standards Act of 1938 and submit to the Congress not later than three years after the date of enactment of this Act a report containing: (1) an analysis of the reasons why each exemption was established; (2) an evaluation of the need for each exemption in light of current economic conditions, including an analysis of the economic impact its removal would have on the affected industry; and (3) recommendations with regard to whether each exemption should be continued, removed, or modified.

TECHNICAL AMENDMENTS

SEC. 13. (a) Section 6(c)(2)(C) of the Fair Labor Standards Act of 1938 is amended by substituting "1973" for "1966".

(b)(1) Section 6(c)(3) of such Act is repealed.

(2) Section 6(c)(4) of such Act is redesignated as 6(c)(3).

(c)(1) Section 7(a)(1) of such Act is redesignated as 7(a).

(2) Section 7(a)(2) of such Act is repealed.

(d) Section 14(c) of such Act is repealed and section 14(d) is redesignated as 14(c).

(e) Section 18(b) is amended by striking out "section 6(b)", and inserting in lieu thereof "section 6(a)(6)", and by striking out "section 7(a)(1)" and inserting in lieu thereof "section 7 (a)".

EFFECTIVE DATE

SEC. 14. Except as otherwise provided in this Act, the amendments made by this Act shall take effect sixty days after enactment. On and after the date of enactment of this Act, the Secretary is authorized to promulgate necessary rules, regulations, or orders with regard to the amendments made by this Act.

SECTION-BY-SECTION ANALYSIS OF S. 1725

SECTION 2

Amends section 3(d) and 3(e) of the Fair Labor Standards Act to include under the definitions of "employer" and "employee" the United States and any state or political subdivision of a state. This would extend minimum wage coverage to an estimated 4.9 million federal, state and local government employees (1.7 million federal, 3.2 million state and local government). Military personnel, professional, executive and administrative personnel, employees in non-competitive positions, and volunteer-type employees, such as Peace Corps and VISTA, would not be included in the extension of coverage. The extension of coverage would be limited to minimum wage; existing overtime coverage under the Act would not be changed.

SECTION 3

Amends section 6(a)(1) of the Fair Labor Standards Act to raise the minimum wage for non-agricultural employees to $2.30 an hour in five steps over a four-year period.

—The loosening of old antagonisms, the entry of the People's Republic of China into the mainstream of United Nations work, and the growing importance of powers such as Japan could in the long run enable a near-universal United Nations to become a more effective instrument for dealing with serious world political and security problems.

—However, we also have to recognize that the continuing tendency to use the United Nations for propaganda advantage and to pursue political rivalries makes accommodation more difficult. For the near term, where the interests of its strongest members are engaged, the organization can deal only in a limited way with highly contentious political issues.

—The emergence in United Nations bodies and conferences of an active majority led by a number of the developing nations continued to make for some distortions in determining the areas of greatest United Nations attention. While we fully recognize the inherent right of all member nations to be heard, the voting weight of this majority, with its sometimes narrowly defined preoccupations, has tended to create imbalance and to place strains on the effective functioning of the organization.

This report reflects the growing cohesion which has taken place among the third world countries, notably with respect to colonial issues and to demands that rules of international trade and aid be altered in their favor. We were particularly concerned when, under the pressure of bloc voting, the organization adopted one-sided resolutions on certain political issues or failed to take concrete action on such important matters as international terrorism. To call this trend disturbing is not to depreciate the value to the United States of multilateral institutions in which all nations can be heard on matters that affect their security and welfare, conciliation can be pursued, and vital public services can be provided for the international community.

We attempted to adjust our policy during 1972 to take account of these changes. It became increasingly clear that for the present the most productive possibilities for United Nations action are on global problems of an economic, social and technological nature. United Nations system expenditures reflected this concentration, with some 95 percent of the resources in 1972 going for programs designed to transfer techniques and skills to less developed nations, set standards for international behavior, and provide public services of benefit to all nations.

The following developments during the year were especially noteworthy:

We were gratified by the General Assembly's endorsement of the reduction of our United Nations budget assessment from 31.52 percent to 25 percent. We believe this to be a healthy development for the organization, which should not be unduly dependent on the contributions of one member. The maximum assessment ceiling beginning next year is expected to fulfill the requirement enacted by the Congress that the United States should pay no more than 25 percent in the United Nations and in certain specialized agencies after January 1, 1974. The vote of over two-thirds in favor of our position reflected a widespread recognition of the equities involved and of political reality, as well as concern for the maintenance of generous United States voluntary contributions to United Nations development programs.

Following the landmark conference in Stockholm in June, the institutional foundation was laid for international action to protect the environment and a work program was initiated for this purpose. Measures were taken to deal with environmetnal problems such as pollution from ocean dumping and the preservation of natural, cultural, and historic heritage areas, and a United Nations fund for the environment, which I had recommended earlier, brought pledges from a number of nations.

On the other hand, a major setback was the United Nations failure to take strong and speedy international legal action to combat international terrorism and provide adequate protection for diplomats—measures advocated by the United States and other concerned nations. The Assembly did, however, set up a committee to study the comments of governments on the problem of international terrorism and submit a report to the next session. While we regret the delay, we hope that the Assembly can make progress on this issue this fall. Progress was made in the International Civil Aviation Organization on the matter of aircraft safety.

The United Nations also advanced its programs for delivering technical assistance to developing nations and setting standards for international behavior in specific fields.

—Management reforms (notably adoption of a country programming system) were implemented which will enable the United Nations Development Program to handle an expanded program of technical assistance more efficiently.

—The organization's capacity to respond to disaster situations was strengthened by the establishment of a United Nations Disaster Relief Office in Geneva, largely as the result of a United States initiative in 1971. The United Nations carried out an unprecedented number of relief activities, notably in Bangladesh and the Sudan.

—There was growing cooperation in outer space. A United Nations working group cooperated in making available to other nations data from our first experimental satellite designed to survey earth resources, and the Convention on International Liability for Damage Caused by Space Objects, which had been negotiated by a United Nations committee, entered into force on September 1.

—The momentum of international action against drug abuse was furthered in several ways: with the drafting of an amending protocol to the 1961 Single Convention on Narcotic Drugs, through increased activity by and contributions to the United Nations Fund for Drug Abuse Control, and through a more active role by the International Narcotics Control Board.

—The population program was placed on a sounder administrative footing by linking the United Nations Fund for Population Activities to the United Nations Development Program. Preparations were continued for the World Population Conference in 1974, which is expected to be as important as the 1972 environment conference.

—Perhaps of the greatest potential significance were the steps taken to accelerate preparations for the Law of the Sea Conference, which will come to grips with such matters as the nature of the international regime for the deep seabed, the breadth of the territorial sea, free transit through international straits, fisheries, marine pollution, and scientific research. A successful resolution of these very difficult issues would help to prevent conflict and assure that the resources in and under the oceans will be equitably and rationally utilized.

The "quiet side" of the United Nations also produced important accomplishments which are covered in this report. Especially noteworthy were the International Atomic Energy Agency's expanded "safeguards" program to prevent the diversion to weapons use of nuclear materials intended for peaceful uses; the Inter-Governmental Maritime Consultative Organization's efforts at spurring agreement to control pollution from ocean dumping; the International Civil Aviation Organization's efforts to devise effective measures for safe and efficient air travel; the World Health Organization's continued campaign to suppress communicable diseases and raise the standards of health care; the Food and Agriculture Organization's work to expand agricultural production and improve nutrition; and the United Nations Educational, Scientific and Cultural Organization's activities to expand scientific communication and protect the world's cultural heritage.

All these activities clearly demonstrate the stake we have in United Nations efforts to control new technologies for the common good, to bridge the gap between developed and developing countries on matters of trade and aid, to facilitate the exchange of technical and scientific knowledge, and to set standards of behavior for international activity. To these concerns—and to the need to improve the functioning of all multilateral institutions—our nation must give increasing attention in the coming years.

RICHARD NIXON.

THE WHITE HOUSE, *September 6, 1973.*

THE MINIMUM WAGE—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93–147)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning today, without my approval, H.R. 7935, a bill which would make major changes in the Fair Labor Standards Act.

This bill flows from the best of intentions. Its stated purpose is to benefit the working man and woman by raising the minimum wage. The minimum wage for most workers has not been adjusted for five years and in the interim, as sponsors of this bill recognize, rising prices have seriously eroded the purchasing power of those who are still paid at the lowest end of the wage scale.

There can be no doubt about the need for a higher minimum wage. Both fairness and decency require that we act now—this year—to raise the minimum wage rate. We cannot allow millions of America's low-income families to become the prime casualties of inflation.

Yet in carrying out our good intentions, we must also be sure that we do not penalize the very people who need help most. The legislation which my Administration has actively and consistently supported would ultimately raise the minimum wage to higher levels than the bill that I am today vetoing, but would do so in stages over a longer period of time and thereby protect employment opportunities for low wage earners and the unemployed.

H.R. 7935, on the other hand, would unfortunately do far more harm than good. It would cause unemployment. It is inflationary. And it hurts those who can least afford it. For all of these reasons, I am compelled to return it without my approval.

ADVERSE EFFECT ON EMPLOYMENT

H.R. 7935 would raise the wage rate to $2.00 for most non-farm workers on November 1 and 8 months later, would increase it to $2.20. Thus in less than a year, employers would be faced with a 37.5 percent increase in the minimum wage rate.

No one knows precisely what impact such sharp and dramatic increases would have upon employment, but my economic advisors inform me that there would probably be a significant decrease in employment opportunities for those affected. When faced with the decision to increase their pay rates by more than a third within a year or to lay off their workers, many employers will be forced to cut back jobs and hours. And the worker will be the first victim.

The solution to this problem is to raise the minimum wage floor more gradually, permitting employers to absorb the higher labor costs over time and minimizing the adverse effects of cutting back on employment. That is why I favor legislation which would raise the floor to a higher level than H.R. 7935 but would do so over a longer period of time. The bill supported by the Administration would raise the minimum wage for most non-farm workers from $1.60 to $1.90, effective immediately, and then over the next three years, would raise it to $2.30. I believe this is a much more prudent and helpful approach.

INCREASING INFLATION

Sharp increases in the minimum wage rate are also inflationary. Frequently workers paid more than the minimum gauge their wages relative to it. This is especially true of those workers who are paid by the hour. An increase in the minimum therefore increases their demands for higher wages—in order to maintain their place in the structure of wages. And when the increase is as sharp as it is in H.R. 7935, the result is sure to be a fresh surge of inflation.

Once again, prudence dictates a more gradual increase in the wage rate, so that the economy can more easily absorb the impact.

HURTING THE DISADVANTAGED

Changes in the minimum wage law as required by H.R. 7935 would also hurt those who need help most. The ones who would be the first to lose their jobs because of a sharp increase in the minimum wage rate would frequently be those who traditionally have had the most trouble in finding new employment—the young, members of racial and ethnic minority groups, the elderly, and women who need work to support their families.

Three groups would be especially hard hit by special provisions in this bill:

Youth: One major reason for low earnings among the young is that their employment has a considerable element of on-the-job training. Low earnings can be accepted during the training period in expectation of substantially higher earnings after the training is completed. That is why the Administration has urged the Congress to establish a modest short-term differential in minimum wages for teenagers, coupled with protections against using teenagers to substitute for adults in jobs. H.R. 7935, however, includes no meaningful youth differential of this kind. It does provide marginal improvement in the special wage for students working part-time, but these are the young people whose continuing education is improving their employability anyway; the bill makes no provision at all for the millions of non-student teenagers who need jobs most.

Unemployment rates for the young are already far too high, recently averaging three to four times the overall national unemployment rate. H.R. 7935 would only drive that rate higher, especially for young people from minority groups or disadvantaged backgrounds. It thus would cut their current income, delay—or even prevent—their start toward economic improvement, and create greater demoralization for the age group which should be most enthusiastically involved in America's world of work.

Domestic household workers: H.R. 7935 would extend minimum wage coverage to domestic household workers for the first time. This would be a backward step. H.R. 7935 abruptly requires that they be paid the same wages as workers who have been covered for several years. The likely effect would be a substantial decrease in the employment and hours of work of current household workers. This view is generally supported by several recent economic studies.

Employees in small retail and service establishments: By extending coverage to these workers for the first time, H.R. 7935 takes aim at the very businesses least able to absorb sharp, sudden payroll increases. Under the burden of this well-intended but impractical requirement, thousands of such establishments would be forced to curtail their growth, lay off employees, or simply close their doors altogether. A "paper" entitlement to a higher minimum wage would be cold comfort indeed to workers whose jobs were eliminated in this squeeze.

OTHER PROBLEMS

H.R. 7935 would also bring almost all government employees under the Fair Labor Standards Act. For Federal employees, such coverage is unnecessary—because the wage rates of this entire group already meet the minimum—and undesirable, because coverage under the act would impose a second, conflicting set of overtime premium pay rules in addition to those already governing such pay for Federal employees. It would be virtually impossible to apply both laws in a consistent and equitable manner.

Extension of Federal minimum wage and overtime standards to State and local government employees is an unwarranted interference with State prerogatives and has been opposed by the Advisory Commission on Intergovernmental Relations.

NEED FOR BALANCE AND MODERATION

In sum, while I support the objective of increasing the minimum wage, I cannot agree to doing so in a manner which would substantially curtail employment of the least experienced and least skilled of our people and which would weaken our efforts to achieve full employment and price stability. It is to forestall these unacceptable effects that I am vetoing H.R. 7935.

I call upon the Congress to enact in its place a moderate and balanced set of amendments to the Fair Labor Standards Act which would be consistent with the Nation's economic stabilization objectives and which would protect employment opportunities for low wage earners and the unemployed and especially non-student teenagers who have the most severe unemployment problems. To the millions of working Americans who would benefit from sound and carefully drawn legislation to raise the minimum wage, I pledge the Administration's cooperation with the House and Senate in moving such a measure speedily onto the statute books.

RICHARD NIXON.

THE WHITE HOUSE, *September 6, 1973.*

The SPEAKER. The objections of the President will be spread at large upon the Journal; and the message and bill will be printed as a House document.

The question is, Will the House on reconsideration pass the bill, the objections of the President to the contrary notwithstanding?

MOTION OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. O'NEILL moves that further consideration of the veto message on the bill H.R. 7935 be postponed until Wednesday, September 19, 1973.

The motion was agreed to

A motion to reconsider was laid on the table.

ON THE PRESIDENT'S MESSAGE

(Mr. DENT asked and was given permission to address the House for 1 minute.)

Mr. DENT. Mr. Speaker, I have carefully followed the statement of the President on the veto of the minimum-wage law. I noticed it took almost as many words to explain his actions as it did to write the bill.

I learned a long time ago when I was a little boy playing baseball on the street that when you explain something it means you have a very good reason for it. This was best brought home by the fact that when we were playing baseball on the street one day someone broke the butcher's window. I went straight home to my father and I, all out of breath, told him what had happened and started to explain it. He said:

Johnny, me boy, remember this as long as you live: When you start to explain, it is bad already.

AMENDMENTS TO RAIL PASSENGER SERVICE ACT OF 1970

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 514 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 514

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 27(d)(4), rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8351) to amend the Rail Passenger Service Act of 1970, as amended, to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 8351, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 2016, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 8351 as passed by the House.

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) pending which I yield myself such time as I may consume.

(Mr. MURPHY of Illinois asked and was given permission to revise and extend his remarks.)

Mr. MURPHY of Illinois. Mr. Speaker, House Resolution 514 provides for an open rule with 1 hour of general debate on H.R. 8351, a bill to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation.

Although House Resolution 514 provides for a waiver of clause 27 (d) (4), rule XI of the Rules of the House of Representatives, the 3-day rule, the reason for the waiver is no longer needed as more than 3 days have elapsed since the rule was filed.

House Resolution 514 provides it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment. It also provides that after the passage of H.R. 8351, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 2016, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 2016 and insert in lieu thereof the provisions contained in H.R. 8351 as passed by the House.

H.R. 8351 grants to the National Railroad Passenger Corporation, Amtrak, authority to operate an autoferry service and limits the ability of any person to provide such service along Amtrak's basic system without a petition to the Interstate Commerce Commission.

The bill also amends the act to increase the amount of Federal guarantee authority from $200 million to $250 million and gives Amtrak trains preference over freight trains in the use of any line of track, junction or crossing, except in cases of emergencies.

H.R. 8351 authorizes an appropriation of $107.3 million for fiscal year 1974.

Mr. Speaker, I urge adoption of House Resolution 514 in order that we may discuss and debate H.R. 8351.

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, House Resolution 514 provides for the consideration of H.R. 8351, the Amendments to Rail Passenger Service Act of 1970, under an open rule with 1 hour of general debate. There are several other provisions of this rule: First, it waives the provisions of clause 27(d)(4) of rule XI, which is the 3-day rule; Second, makes the committee substitute in order as an original bill for the purpose of amendment; and third, provides for inserting the House-passed language in the Senate bill, S. 2016.

The purpose of H.R. 8351 is to amend the Rail Passenger Service Act of 1970 in order to provide authorizations for appropriations for fiscal year 1974. These changes and additions are made to reflect the committee's continuing desire to see that Amtrak properly fulfills the congressional mandate which created the Corporation to provide modern, efficient, intercity rail passenger service, with the anticipation that the Corporation eventually will become a self-sustaining entity.

The bill authorizes $106.1 million for fiscal year 1974 for domestic routes and $1.2 million for international routes—a total of $107.3 million. Additionally, the bill provides for an increase of $50,000,000 in federally guaranteed securities, loans and obligations available to Amtrak.

Mr. Speaker, I urge the adoption of the rule.

Mr. MURPHY of Illinois. Mr. Speaker, I have no additional requests for time. I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8351) to amend the Rail Passenger Service Act of 1970, as amended, to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 8351, with Mr. FLOWERS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. HARVEY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Committee on Interstate and Foreign Commerce has reported H.R. 8351 with the hope that Congress will help improve rail passenger service throughout the Nation.

Congress created Amtrak in the Rail Passenger Service Act of 1970 in a somewhat desperate effort to prevent the complete abandonment of intercity rail passenger service. Amtrak's challenge was and is to reverse the deterioration of passenger service and to save and improve as much of the service as possible.

When Amtrak was created, there were some 500 passenger trains left of the thousands which had existed over the decades since the invention of the railroad. These 500 remaining were losing over $200 million a year. Amtrak got underway with a $40 million Federal grant and some $197 million in payments from participating railroads. These moneys, together with a $200 million loan program, were to carry the Corporation through June 30, 1973. However, in 1972 it was necessary to further fund Amtrak, and $179.1 million was appropriated. This was to carry Amtrak forward to June 30 of this year, and we now propose to extend Amtrak through the bill before us for the single fiscal year of 1974.

H.R. 8351 will accomplish the following:

First, authorizes $107.3 million for fiscal year 1974—Senate-passed bill authorizes $185 million. Administration had requeste dan open-ended authorization.

Second, increases Federal guarantee authority from $200 million to $250 million.

Third, restructures the Amtrak Board of Directors: Increases number of consumer representatives from one to three; requires bipartisan appointments by the President; has a strict no-conflict-of-interest provision in the bill.

Fourth, grants Amtrak the power of eminent domain in limited instances, and allows them to petition the ICC for conveyance of certain railroad properties in limited instances.

Fifth, requires Amtrak to initiate at least one experimental train annually, and continues for 1 year any existing experimental train.

Sixth, gives Amtrak trains preference over freight trains on any track, junction or crossing—but allows Secretary of DOT to resolve any controversy between Amtrak and railroads over such preference, as well as over speed of Amtrak trains.

Seventh, prohibits Amtrak from clearing reports, budget requests or legislative proposals with any executive branch official or agency before it submits such items to Congress.

Eighth, clears up inconsistencies in existing law between ICC and DOT over rail safety. DOT is given exclusive jurisdiction over railway safety.

Ninth, allows any corporation to compete with Amtrak in providing auto-ferry service if they can prove to the ICC that first, there is a public need for such service, and second, that such service will not impair Amtrak's financial position.

Tenth, establishes certain criteria for the ICC to use in determining what is the just and reasonable compensation, if any, that Amtrak should pay railroads for providing services.

In regard to section 3 of the bill, we want to make it clear that "any person" other than a railroad may provide auto-ferry service. We believe auto-ferry service is a means of attracting more of the public to travel by rail, and we mean the term "railroad" in this legislation to be a company principally engaged in providing freight service over established main interstate lines—the Norfolk & Western, to cite a random illustration. If it were otherwise the case, it would frustrate our aim of authorizing specialized auto-ferry companies and Amtrak as well to provide this sort of service.

Our committee believes in this age when our Nation is faced with an energy crisis, and with a problem of automobile-induced pollution, we must give the public an efficient, modern rail passenger service as a viable alternative to the travel by automobile and airplane. This legislation will move us a step forward in this direction.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the majority leader, the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Chairman, the American traveling public needs a well-balanced transportation system. That means good highways, good public transit for our cities, a safe and efficient airway and airport system, adequate port and waterway facilities. And it also means modern intercity rail passenger service, for all parts of the country. Recognizing this fact, I supported the creation of Amtrak in 1970; while it has its imperfections I am aware of what it has accomplished and anxiously await improvements in the quality of its operations that will bring faster and more frequent service, in New England, throughout the Northeast, and in other parts of the country. I thus applaud—in general terms—the Committee on Interstate and Foreign Commerce—its distinguished chairman and all the members—for the bill, H.R. 8351, which they have reported to the floor.

There is, however, one aspect of the bill with which I am deeply concerned. It deals with auto-ferry service. Back in 1970, when Congress passed the Rail Passenger Service Act, there was no auto-ferry service—no way by which travelers could take their cars along when they took a trip by train. Other countries had this form of transportation, but not the United States. In my view, and it was widely shared in the House and in the Senate, it seemed to me then that action should be taken to encourage private entrepreneurs to enter this field and to invest whatever was needed to bring this type of transportation to the people of our country.

When the Congress became aware in 1970 that one new private company had already made plans to initiate an auto-ferry operation, provision was made in the Rail Passenger Service Act to protect rights of such a private auto-ferry operator where it had a contract in force.

Encouraged by the 1970 legislation that company has gone ahead with what most people regard as a highly convenient, safe, and top-quality auto-train service between Washington and Florida. Since it was started in December 1971 it has reportedly carried more than a quarter of a million people, including a large number of my own constituents. Its popularily is obvious. Many travelers like to take the train and have their cars along. They save time, money, and a tedious long-distance journey by highway. What is more they—and the country—save gasoline. A recent newspaper advertisement noted that the Washington-Florida Auto Train produces an annual savings of more than 11 million gallons of scarce gasoline.

From every conceivable point, auto-ferry service has substantial advantages—for travelers and for the counrty. To my way of thinking, this new, innovative form of intercity transportation is something to stimulate. I was thus heartened recently to read that under a contract entered into back in 1970, a new auto-ferry service, between Louisville and Florida—to serve the people of Michigan, Ohio, Indiana, Illinois, and other midwest points is to be launched. I welcome this move but I regret to find in section 3 of H.R. 8351 provisions which could slow, if not halt, the inauguration of additional auto-ferry service by specialized private carriers, such as that along the Louisville-Florida route. While I agree that Amtrak should be permitted to run auto-ferry service, I am afraid that the bill as reported could have a chilling, if not deadening effect on other operators. Since service on the Louisville route will not yet be in operation on the date of enactment of this measure, I read section 3 as requiring this operator or anyone other than Amtrak to run a brutal legal obstacle course to gain permission to begin service that will take time and that may, in fact, never be successfully negotiated. Amtrak appears to be given what amounts to a near-monopoly over new auto-ferry service, something which that corporation hardly has earned given its seriously lagging interest in this type of transportation. I am also advised by legal specialists that by excluding "railroads" from auto-ferry service, there may be an untoward effect in that an independent auto-ferry operator might be deemed by the courts to be a "railroad" even though I am quite certain this is not what the committee intended.

Let me sum up. Auto-ferry has proven its popularity and it should be made available to a larger audience, all over the country. Amtrak should clearly be entitled to offer this form of transportation, but so should others—especially those who relied on the 1970 act and who have invested time and money in developing this concept of movement. Our aim should be to encourage the spread of auto-ferry service—to encourage all qualified operators to enter this field. I am distressed that H.R. 8351 falls far short of this objective. The traveling public, I am afraid, will be the real loser.

I would like to ask the chairman of the committee, is there anything in section 3 in the opinion of the gentleman from West Virginia that in any way would affect now the route they have been running between Virginia and Jacksonville, and the route that will be run from Louisville down to Florida, so we can get in the RECORD the correct intent of what the chairman and the committee believe is the intent of the Congress?

Mr. STAGGERS. Mr. Chairman, I will reply, and I thought I had made it fairly clear earlier, that it is the intent of the